



# **Commission on Equitable Early Childhood Education and Care Funding**

ECEC Provider Funding Adequacy Estimation

June 2020

# Overview

- These slides are based on the 2019 Illinois Cost Model for Early Childhood Education and Care Services.
- The purpose of this meeting is to gather additional feedback from community-based organizations and other ECEC providers to inform a validation of the 2019 cost model.
- The revised cost model will be used to help satisfy the charge of the Funding Adequacy Working Group and the charge of the Early Childhood Funding Commission, specifically to help “make recommendations to establish funding goals.”
- Feedback gathered during this meeting will be shared in aggregate with the Funding Adequacy Working Group and the Early Childhood Funding Commission.
- Information in these slides is preliminary and for discussion purposes only.
- Individuals or organizations wishing to provide further written feedback or input on this or other materials or deliberations of the Early Childhood Funding Commission should submit them to Bethany Patten at [bethany.patten@illinois.gov](mailto:bethany.patten@illinois.gov).

# Today's Objectives

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- Share Commission overview and set context for today's discussion
- Share our approach to developing a *cost of high quality ECEC services*
- Share how your input has been incorporated
- Identify next steps and opportunities for further engagement

# Commission's Charge

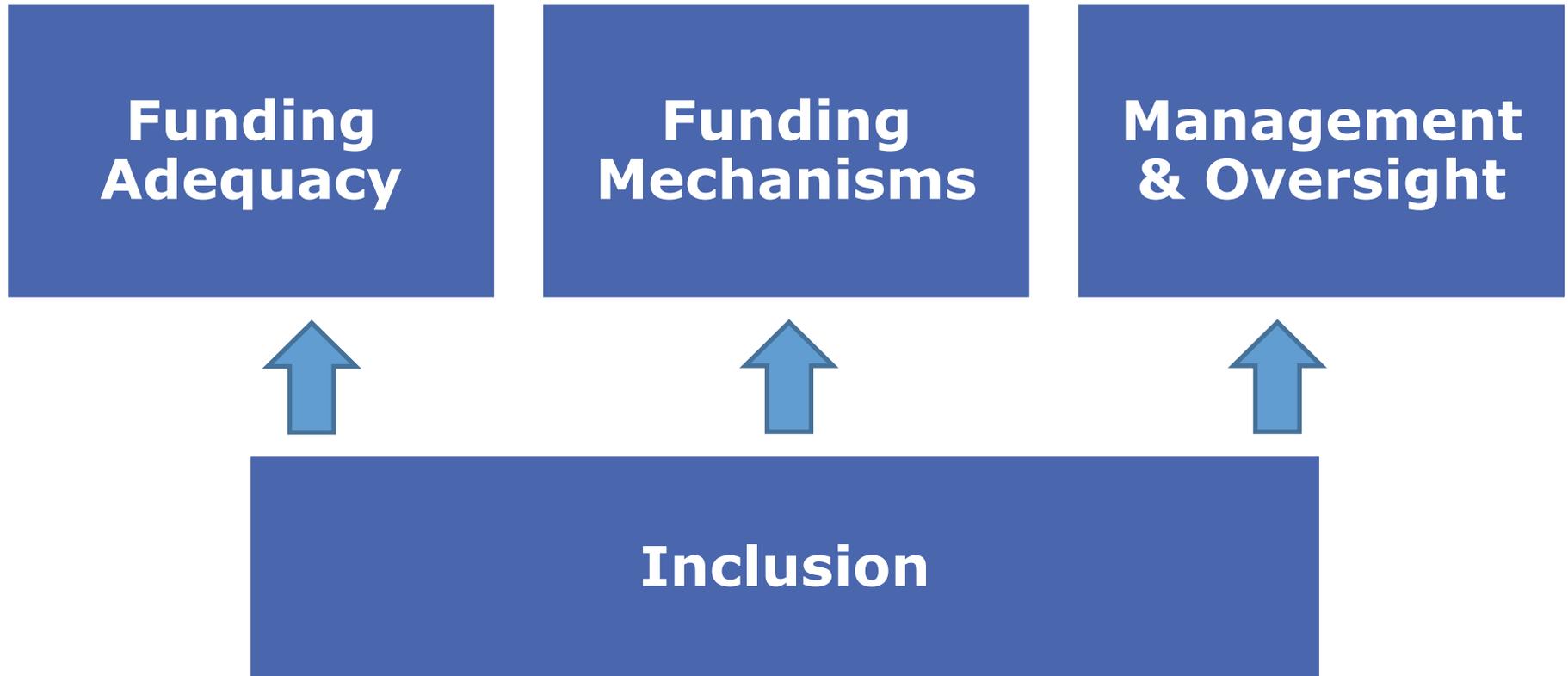
“The Commission shall study and make recommendations to establish funding goals and funding mechanisms to provide equitable access to high-quality early childhood education and care services for all children birth to age five and advise the Governor in planning and implementing these recommendations.”



# Commission Deliverable

- **We need to know “the number.”** There is not enough revenue in the system to support a sufficient, stable supply of providers of high-quality ECEC – how much do we need?
- **We need to assess all funding mechanisms and the management and oversight structures of ECEC.**
  - How should we distribute funds?
  - Who should distribute and monitor the funds?
- **We need to determine how to implement our recommendations.**
  - How will we reach our recommended end state, and over what period of time?

# The Commission's Working Groups



# Our understanding of “Adequacy”

- ECEC is not adequate today
  - Too few served and not enough capacity
  - Under-resourced programmatic offerings compared to student needs
  - Underpaid staff
- Adequate  All things for all children
- Adequate = *the funding standard for quality that allows programs to meet children and family needs*

# Determining "the number"

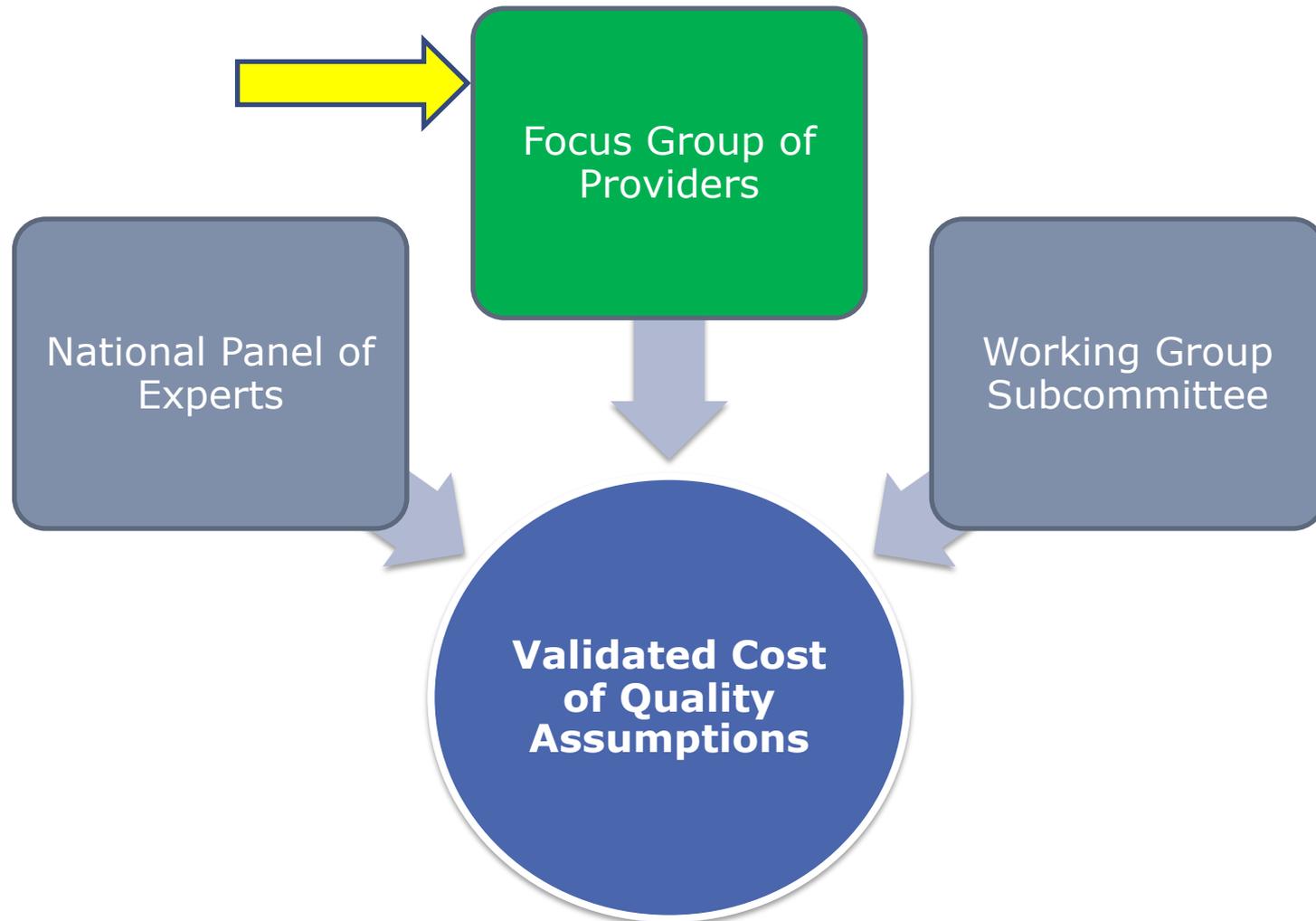
- 1 Determine Programs in/out of analysis
- 2 Calculate per child cost of high quality programs
- 3 Estimate number of children served in each program
- 4 Calculate cost of state/local infrastructure

# What are we attempting to do?

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- **WE ARE:** Quantifying the cost of providing quality ECEC services
  - *For general care and education*
  - *For children and families with IFSPs and/or IEPs*
- **WE ARE NOT:** coming up with a method for funding distribution
  - Calculating individual provider funding
  - Determining how to equitably fund

# Validating the cost of quality in the PDG model



# Key discussion topics

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- Overview of input received
- Discussion on modeling approach
- Overview of cost factors (staffing, group sizes, overhead, etc.)
- Review of outcomes and the cost of high quality ECEC services

# Overview of Providers included

- Total provider surveys received: 144

Center Type	Number of Centers
For Profit	54%
Not-for-Profit	46%

Region of State	Number of Centers
Chicago	19%
Cook	47%
Collar Counties	14%
Rest of State	39%

# Overview of Providers included

<b>Revenue Source</b>	<b>Number of Centers</b>
Child & Adult Care Food Program	73%
Child Care Assistance Program	95%
PI/PFA/PFAE	36%
EHS/HS/EHS-CCP	26%
Other public sources	19%
Private sources	26%

# Overview of data provided

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- Capacity, enrollment, and # of classrooms by age
- Annual expenses & revenue
- Personnel data:
  - # FTE & PTE by title/role
  - Hourly wages by title/role
  - Employee benefits
- Non-personnel costs:
  - Rent/mortgage & utilities
  - Food & food services
  - Professional development
- Funding sources
- Plans to accommodate minimum wage increase

# Modeling approach

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Before diving in, please keep in mind these important points about the model:

1. It is an attempt to quantify the *TRUE COST* of providing high quality child care;
2. It oversimplifies how care is provided in order to quantify *average* costs;
3. It does NOT model the real world or take into account actual current funding levels;
4. It does NOT create new requirements for staffing, salaries, or program models.

# Modeling approach

The model was built using a set of guiding values that are important reference points:

- Program models that meet families' needs and preferences for schedule and setting;
- Program models that provide comprehensive services that are sufficient to address the needs of children who are furthest from opportunity, including those in poverty or experiencing homelessness or child welfare involvement;
- Program models that are culturally and linguistically appropriate and meet the full range of special needs that young children have;
- Parity in compensation and benefits across the profession, commensurate with varying characteristics such as qualifications and role, to ensure highly qualified teachers and staff are hired and retained;
- Staffing patterns that allow for adequate time for teacher's engagement in lesson preparation, professional development, parent engagement, and consultation services;
- Class sizes and staff-to-child ratios that reflect best practice for each age group;
- Adequate infrastructure investment to ensure appropriate quality improvement supports are available as well as opportunities to build a highly qualified workforce.

# Modeling approach

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- Goal was to determine a PER CHILD cost based on age and standard of care.
- Created two types of prototypical centers:
  - A “High Quality” center which is based on ExceleRate Gold requirements
  - A “Comprehensive” center which is based on Early Head Start/Head Start and Prevention Initiative/Preschool For All requirements.
- A prototypical licensed center was created as well for comparison but the per child cost was not used in the overall state model.

# Cost factors with biggest impact

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- Ratios/group sizes
- Staffing pattern
- Personnel salaries

# Ratios & Group Sizes

Age Group	Licensing Standards		High Quality (ExceleRate Gold)		Comprehensive (EHS/HS/PI/PFA)	
	Ratio	Group Size	Ratio	Group Size	Ratio	Group Size
Infants (6wks – 14 mo)	1 to 4	12	1 to 4	8	1 to 4	8
Toddlers (15mo – 23mo)	1 to 5	15	1 to 4	12	1 to 4	8
Two Year Olds	1 to 8	16	1 to 6	12	1 to 6	8
Preschool	1 to 10	20	1 to 10	20	1 to 10	17

# Ratios & Group Sizes

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- Do these ratios and group sizes align with your feelings about best practice?
- Taking revenue out of the equation, would adjust the ratio or group size for any of the age groups?

# Staffing Patterns

Age Group	High Quality (ExceleRate Gold)	Comprehensive (EHS/HS/PI/PFA)
Infants (6wks – 14 mo)	1 teacher, 1 assistant, 1 aide	1 teacher, 1 assistant, 1 aide
Toddlers (15mo – 23mo)	1 teacher, 1 assistant, 1 aide	1 teacher, 1 assistant, 1 aide
Two Year Olds	1 teacher, 1 assistant	1 teacher, 1 assistant, 1 aide
Preschool	1 teacher, 1 assistant	1 teacher, 1 assistant, 1 aide

- 0.2 Lead Floaters/subs per classroom
- 0.4 Assistant Floaters/subs per classroom
- Family engagement specialists (1 for 35 kids)
- a site director & administrative assistant
- “Additional Professional Staff” (such as assistant director, curriculum coordinator, business manager, etc.) 1 per 4 classrooms

- 0.1 Lead Floaters/subs per classroom
- 0.5 Assistant Floaters/subs per classroom
- Family engagement specialists (1 for 35 kids)
- a site director & administrative assistant
- + a cook and an assistant cook
- “Additional Professional Staff” (such as assistant director, curriculum coordinator, business manager, etc.) 1 per 4 classrooms

# Staffing Patterns

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- Does the high-quality staffing pattern represent adequacy?
- Does the comprehensive staffing pattern represent adequacy?
- Does this prototypical center have too many staff, just the right amount, or not enough?

# Recommended salary schedule

<b>Title/Role</b>	<b>Balance of the State</b>	<b>Chicago Metro</b>
Site Director (PI/PFA qualified) (meets licensing)	\$63,750	\$75,000
	\$46,750	\$55,000
Additional Professional Staff (out of classroom)	\$42,500	\$50,000
Teachers (Bachelor's degree)	\$41,650	\$52,000
(Associate's degree)	\$36,550	\$43,000
Teacher Assistants	\$33,150	\$39,000
Teacher Aides	\$25,500	\$30,000
Administrative Assistant	\$29,750	\$35,000
Family Engagement Specialist	\$34,000	\$40,000

# Recommended salary schedule

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- Would these salaries allow you to attract and retain the staff that you need/want to provide quality child care?
- Are there any positions where you feel the salary should be raised or lowered?

# Non-Personnel Costs

Expenses	High Quality	Comprehensive	Per	Notes
Food	\$5,000	\$2,000	Classroom	Comp. has cook & asst. cook on staff
Education & office supplies/equipment	\$170	\$245	Child	
Child Assessment	\$15	\$15	Child	
Rent/Mortgage* & Utilities	\$15.84	\$15.84	Square foot	*Regionalized cost
Maintenance/Repair/Cleaning	\$2,000	\$500	Classroom	Comp. has maintenance staff
Fees/Permits/Audits/Legal	\$3,500	\$3,500	Site	
Staff training & education	\$500	\$500	Staff	
Consultation (nurse, mental health, nutrition, etc.)	\$5,500	\$5,500	Classroom	5-6 hours/month per classroom
IT support	\$1,000	\$1,000	Classroom	
Insurance	\$150	\$150	Child	
Telephone & Internet	\$1,440	\$1,440	Site	
Indirect Cost	\$1,182	\$1,182	Child	Based on EBF

# What are the outcomes? What is the “cost of quality”?

## Per Child Cost in Centers

	BALANCE OF THE STATE		CHICAGO METRO	
Age Group	High Quality Center	Comprehensive Center	High Quality Center	Comprehensive Center
Infants	\$29,000	\$28,500	\$31,800	\$33,000
Toddlers	\$22,200		\$24,000	
Two Year Olds	\$19,600		\$20,800	
Preschool	\$15,500	\$18,000	\$16,000	\$20,700

# Questions or Feedback?

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- Are there any guiding values that you disagree with or would question?
- Are there other costs that have a sizeable impact on your budget?
- Are there cost factors that you have trouble quantifying but you feel should be captured by the model?

# Next Steps

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- As appropriate, review this with other members of your team
- If you would like to be provide further feedback or discuss any of the information shared today, please contact Kate Ritter ([kmaharritter@gmail.com](mailto:kmaharritter@gmail.com))

# Supplemental Slides

# Guiding Principles

These Guiding Principles reflect the Commission's values and beliefs, guide how it operates, and lay a foundation for decision-making.

## High Quality ECEC is a Public Priority

- It should be invested in as such as this is critical to our State's workforce, economy, and welfare of its residents.

## Promote Equity

- We will endorse a system that promotes equitable outcomes for children, with intentional focus on race, ethnicity, culture, language, income, children's individual needs, and geography.

## Embrace Bold System-Level Changes

- Everything is on the table, including how funding flows, how funding decisions are made, and who makes them, to better serve all children and families.

## Build Upon the Solid Foundation

- We will build upon the successes of Illinois' past and current system, its commitment to a prenatal to five system, the lessons from other states, and the expertise and research in the field.

## Prioritize Family Perspectives, Needs, and Choices

- We will prioritize families' perspectives, needs, and choices as we make recommendations to improve the system.

## Design for Stability and Sustainability

- We recognize our system must provide funding stability for providers, educators, and staff across mixed delivery settings to better serve families.

## Require System Transparency, Efficiency, and Accountability

- We see these as necessary conditions for all stakeholders, funding distributors, and funding recipients for any future ECEC funding structure.

## Recognize Implementation Realities

- We will plan for meaningful change over a multi-year time horizon.